

### REMARKS

Reconsideration of this application is respectfully requested in view of the foregoing amendment and the following remarks.

By the foregoing Amendment, claims 58, 62, 67 and 74-77 have been amended, claims 58-77 remain pending.

In the Office Action mailed April 24, 2003, the Examiner rejected claims 67-73 and 74-77 under 35 U.S.C. § 101 based upon the contention that the claimed invention is directed to a non-statutory subject matter. Applicant respectfully submits that the Patent Office's position in this regard is inconsistent with the jurisprudence of the reviewing court, the Court of Appeals for the Federal Circuit, which in the State Street case made clear that patent laws extend to anything under the sun made by man. Nonetheless, to facilitate prompt allowance of this application, applicant has amended the claims to define a computer implemented method. Applicant reserves the right to challenge the Patent Office's position in the future.

In addition, several of the previously pending claims were rejected under 35 U.S.C. § 112, based upon certain informalities noted by the Examiner. In response, applicant has amended the rejected claims consistent with the Examiner's suggestions. Accordingly, reconsideration and withdrawal of the rejections under 35 U.S.C. § 112 are respectfully requested.

Finally, claims 58-77 were rejected as unpatentable over the prior art. Applicant respectfully traverses these rejections as follows.

To begin with, the Examiner has failed to set forth an appropriate prima facie case to support the rejection. In particular, although the Examiner has pasted pages of text from the

references into the Office Action, the Examiner has not provided nor demonstrated that each of the claimed features is present or even suggested by the prior art of record. In particular, the Examiner has failed to address the specific features set forth in claims 60-62. For example, the Examiner has not shown the possibility of non-integer redemption rate as specifically required by these claims. Further, the Examiner has not shown a redemption rate that is associated with a particular participant ID as required by independent claim 58.

The point-service system in online shopping mall disclosed by Ikeda et al. is fundamentally different from the incentive program of the present invention. In particular, an important part of the present invention is the fact that each participant has an individually determined participant redemption rate associated with their participant ID and the individually determined redemption rate that is associated with a particular participant ID is adjusted in response to certain action by the participant. The individually determined participant redemption rate is stored in memory in association with each participant ID.

In contrast, to the extent that Ikeda et al. shows adjustments and redemption rates or redeeming ratio, the adjustment is made by the vendors or shops. Thus, the Examiner's citation of column 11, lines 50-53, actually highlights the critically important difference between the system described by Ikeda et al. on the program of the present invention. For this reason, applicant respectfully submits that Ikeda et al. neither discloses nor suggests the claimed incentive program pursuant to which a participant rate (RR) is stored in memory in association with each participant ID and the redemption rate (RR) that is associated with a particular participant ID is adjusted in response to certain action by that participant pursuant to the second reward program. In addition, as demonstrated in Fig. 8, the program points total associate with

each participant ID in Ikeda et al. is simply the 12 points earned by that participant. This would be equivalent to the base points earned of the present invention. Ikeda et al. does not disclose a “program points (PP) total associated with each participant ID, wherein PP are the product BP and RR so that  $PP = BP \times RR$ .

In short, Ikeda et al. fails to disclose or remotely suggest individually determined redemption rates. Instead, Ikeda et al. focuses on redemption rates that are set for particular vendors not participants.

With regard to the rejection based upon the combination of Ikeda et al. and Cook et al., applicant respectfully submits that there is nothing the prior art of record disclose to suggest the combination of teachings of these pair of references. Thus, applicant traverses this rejection as being based upon impermissible hindsight. In addition, even if these references could be combined, the combination would fail to disclose or even remotely suggest the specific feature set forth in claims 64-66. The Examiner has not even attempted to show the claimed features of claim 66 would result, for example. Moreover, the Examiner has not shown where the specific features set forth in claim 64 would result. Instead, the Examiner has suggested that if the teachings of Cook et al. and Ikeda et al. could be combined, one of the advantages of the present invention, namely increased utilization of the machines, would be generally achieved. This is plainly insufficient prima facie case of obviousness. For all of the above reasons, applicant respectfully submits that this application is in condition for allowance. A prompt issuance of a Notice of Allowance is earnestly solicited.

Applicant notes, however, that receipt and consideration of the Information Disclosure Statement filed on November 1, 2001 has not yet been acknowledged. Applicant requests

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consideration of the Information Disclosure Statement filed in this application as well as art cited in the co-pending Continuation-In-Part application 09/490,087.

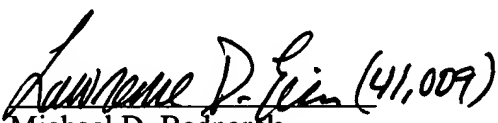
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Respectfully submitted,

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